

**PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF NUNAVUT
FOR THE YEAR ENDED MARCH 31, 2014**

HONOURABLE KEITH PETERSON

Minister of Finance

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**THE HONOURABLE EDNA ELIAS
COMMISSIONER OF NUNAVUT**

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2014. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.

The Honourable Keith Peterson
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2014**

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SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts, is the responsibility of management through the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS), which represent generally accepted accounting principles for governments as recommended by the Chartered Professional Accountants of Canada's Public Sector Accounting Board. Where Canadian PSAS permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and internal control. Where necessary, these systems are enhanced and modified to support the provision of accurate information, safeguarding and control of the Government's assets, and ensuring all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Oversight of Government Operations and Public Accounts after they have been tabled in the Legislative Assembly. The recommendations of this Committee will be reviewed and acted upon, where appropriate, to improve financial management, financial reporting practices and the systems of internal control.

The Auditor General of Canada conducts an annual audit of the consolidated financial statements in order to express an opinion as to whether the statements present fairly, in all material respects, the financial position, results of operations and accumulated surplus, change in net financial assets and cash flow for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is included with the consolidated financial statements.

CDH

Chris D'Arcy
Deputy Minister of Finance

October 30, 2014



Jeff Chown, CA
Comptroller General

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of Nunavut, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Nunavut as at 31 March 2014, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government of Nunavut and those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of Nunavut's powers under the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.



Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

30 October 2014
Ottawa, Canada

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2014
(in thousands of dollars)

	Note	2014	2013
Financial assets			
Cash and cash equivalents	3	607,372	481,180
Portfolio and other investments	4	19,941	15,033
Due from the Government of Canada	5(a)	50,260	60,204
Other revenues receivable	5(b)	75,788	71,033
Inventories for resale	6(a)	80,878	100,407
Loans receivable	7	22,934	13,978
Total financial assets		857,173	741,835
Liabilities			
Accounts payable and accrued liabilities	8	274,196	258,889
Deferred revenues	9	110,799	108,703
Environmental liabilities	10	13,920	10,799
Pension liabilities	11	8,868	7,838
Other post-employment benefit liabilities	12	30,301	24,038
Long term debt	13	118,989	112,991
Iqaluit International Airport Improvement Project	14	31,885	-
Capital lease obligations	15	59,095	69,489
Total liabilities		648,053	592,747
Net financial assets		209,120	149,088
Non-financial assets			
Tangible capital assets (Schedule B)		1,880,158	1,797,392
Inventories for use	6(b)	27,942	22,648
Prepaid expenses		3,233	2,811
Total non-financial assets		1,911,333	1,822,851
Accumulated surplus		2,120,453	1,971,939
Contractual obligations (Note 17)			
Contingencies (Note 18)			

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2014

(in thousands of dollars)

	2014 Budget (Note 21)	2014 Actual	2013 Actual
Revenues (Schedule A)			
From the Government of Canada	1,561,900	1,605,339	1,489,358
Revenues generated by the Government of Nunavut	344,800	400,645	387,629
Total revenues	1,906,700	2,005,984	1,876,987
Expenses (Note 16)			
Community and Government Services	427,500	421,464	413,319
Health	369,400	376,088	401,560
Education	253,500	245,544	292,346
Housing	244,200	247,242	236,587
Finance	183,300	152,088	130,100
Family Services	118,200	117,490	-
Justice	114,000	110,205	99,564
Economic Development and Transportation	107,400	87,446	84,266
Environment	27,000	31,475	28,746
Culture and Heritage	28,800	25,122	19,443
Executive and Intergovernmental Affairs	31,800	22,794	17,908
Legislative Assembly	22,200	20,512	17,567
Human Resources	-	-	16,135
Total expenses	1,927,300	1,857,470	1,757,541
Surplus (deficit) for year	(20,600)	148,514	119,446
Accumulated surplus, beginning of year	1,971,939	1,971,939	1,852,493
Accumulated surplus, end of year	1,951,339	2,120,453	1,971,939

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Consolidated Statement of Change in Net Financial Assets****for the year ended March 31, 2014***(in thousands of dollars)*

	2014 Budget	2014 Actual	2013 Actual
Surplus (deficit) for year	(20,600)	148,514	119,446
Tangible capital assets (Schedule B)			
Additions	(186,100)	(189,354)	(118,244)
Disposals	-	1,640	1,641
Amortization	90,000	104,948	100,070
	(96,100)	(82,766)	(16,533)
Net use (additions) of inventories for use	(1,000)	(5,294)	(2,145)
Net use (additions) of prepaid expenses	(100)	(422)	111
	(1,100)	(5,716)	(2,034)
Increase (decrease) in net financial assets	(117,800)	60,032	100,879
Net financial assets, beginning of year	149,088	149,088	48,209
Net financial assets, end of year	31,288	209,120	149,088

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Consolidated Statement of Cash Flow****for the year ended March 31, 2014***(in thousands of dollars)*

	2014	2013
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,618,527	1,521,383
Taxes	92,350	84,888
Other government revenues	293,185	284,752
Interest on loans receivable and portfolio investments	1,748	948
Interest payments on long term debt	(5,645)	(4,298)
Interest payments on capital leases	(4,324)	(5,357)
Compensation and employee benefits	(557,790)	(522,803)
Grants and contributions	(183,319)	(169,452)
Goods and services	(958,610)	(913,409)
	296,122	276,652
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(155,467)	(124,941)
Tangible capital asset disposals	45	1,023
	(155,422)	(123,918)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(12,073)	(2,640)
Loan repayments received	4,239	3,591
Portfolio and other investment acquisitions	(1,739)	(901)
Portfolio and other investment disposals	-	300
	(9,573)	350
Cash provided by (used for) financing activities:		
Long term debt borrowings	14,000	20,000
Principal payments on capital leases	(10,423)	(10,152)
Principal payments on long term debt	(8,512)	(7,452)
	(4,935)	2,396
Increase in cash and cash equivalents	126,192	155,480
Cash and cash equivalents, beginning of year	481,180	325,700
Cash and cash equivalents, end of year (Note 3)	607,372	481,180

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements**

March 31, 2014

(in thousands of dollars)

1 AUTHORITY AND OPERATIONS**(a) Authority**

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act* (Canada). The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in the *Nunavut Act* (Canada) and the *Financial Administration Act* (Nunavut). The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

(b) Reporting entity

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity (except for the Workers' Safety and Compensation Commission). The financial activities of all these entities are consolidated in these financial statements.

The following organizations comprise the reporting entity represented by these consolidated financial statements. Unless indicated otherwise they have March 31 year ends. These organizations are accountable to and are controlled by the Government.

	Authority for Operations
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	<i>Financial Administration Act</i>
Revolving Funds	<i>Revolving Funds Act</i>
Liquor Revolving Fund	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College (June 30)	<i>Public Colleges Act</i>
Nunavut Business Credit Corporation	<i>Nunavut Business Credit Corporation Act</i>
Nunavut Development Corporation (including subsidiaries)	<i>Nunavut Development Corporation Act</i>
Nunavut Housing Corporation (including subsidiaries)	<i>Nunavut Housing Corporation Act</i>
Nunavut Lottery	<i>Partnership agreement</i>
Qulliq Energy Corporation	<i>Qulliq Energy Corporation Act</i>
District Education Authorities (June 30)	<i>Education Act</i>

All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

For segmented disclosure reporting purposes, summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

(c) Budget

Canadian public sector accounting standards require a government to present in its financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xii of the 2013-2014 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences. Where necessary, assumptions were used to estimate the inter-entity eliminations and accounting policy adjustments required. There was a \$45,600 provision for centrally estimated 'Supplementary Requirements' included in the 2013-2014 Main Estimates, \$30,100 of which was designated for 'Extraordinary/Unforeseen Events'. For purposes of consolidated budget disclosure in these consolidated financial statements that provision has been included in the Finance expense budget.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements**

March 31, 2014

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Chartered Professional Accountants of Canada (CPA Canada).

(b) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to other post-employment benefit liabilities, environmental liabilities, contingencies, revenue accruals, amortization expenses and valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(d) Portfolio and other investments

Portfolio and other investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares or bonds of the investee. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income, which is part of other revenues within revenues generated by the Government of Nunavut. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuels, liquor products, finished goods and packaging materials and supplies. Bulk fuels, finished goods and packaging materials and supplies are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work in progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the Consolidated Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized using the straight line method at the following rates:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	20-30 years
Storage Facilities	30 years
Tank Farms	30 years
Equipment	5-30 years
Warehouse and Equipment (QEC)	5-40 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	20-40 years
Infrastructure	30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other post-employment benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various assumptions. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Other post-employment benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements**

March 31, 2014

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Revenues**

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada.

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes and general revenues.

Income tax revenue is recognized when the taxpayer has earned income that is subject to tax. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commissions on tobacco tax revenue provides a financial benefit other than a relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures through the Consolidated Revenue Fund, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures through the Consolidated Revenue Fund.

(k) Expenses

Expenses are recorded on an accrual basis.

Transfers (e.g., grants and contributions) by the Government are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient.

(l) Contractual obligations

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

(m) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(n) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. The environmental liabilities are reassessed on an annual basis.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Consolidated Financial Statements

March 31, 2014

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments

The fair values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity of less than 12 months), due from the Government of Canada and other revenues receivable approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, other post-employment benefit liabilities, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable, are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

(p) Future changes in accounting standards

A number of new and amended standards issued by PSAB are not yet effective and have not been applied in preparing these consolidated financial statements. The following standards for governments will become effective as follows:

PS 3260 Liability for Contaminated Sites (effective April 1, 2014), a new standard providing guidance on the recognition, measurement and disclosure of liabilities for remediation of contaminated sites for which the government is or accepts responsibility for.

PS 3450 Financial Instruments (effective April 1, 2016), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective April 1, 2016), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its consolidated financial statements.

(q) Services provided without charge

The Government of Nunavut receives audit services free of charge from the Office of the Auditor General of Canada. These services have not been recorded in the financial statements.

3 CASH AND CASH EQUIVALENTS	2014	2013
Cash	488,608	387,220
Designated cash	2,346	2,504
Short term investments	116,418	91,456
	607,372	481,180

There is \$nil (2013 - \$1,081) of restricted cash being held in trust as a guarantee of Qulliq Energy Corporation's ability to pay an individual supplier for its capital commitments. Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

Cash and cash equivalents include investments in a diversified portfolio of high grade, short term income producing assets. The yield for the year ended March 31, 2014 varied from 0.75% to 4.27% (2013 - 0.55% to 5.38%), with an average remaining term to maturity after year end of 120 days (2013 - 93 days).

GOVERNMENT OF NUNAVUT

PUBLIC ACCOUNTS

Notes to Consolidated Financial Statements

March 31, 2014

(in thousands of dollars)

4 PORTFOLIO AND OTHER INVESTMENTS

	2014 Effective Rate of Return	2014 Term to Maturity	2014 Carrying Value	2013 Carrying Value
Portfolio investments				
Provincial Governments	2.47%	2 to 5 years	9,796	5,601
Government of Canada			-	1,026
			9,796	6,627
Other investments				
SRAF designated investments			9,420	8,156
Venture investments			725	250
			19,941	15,033

The market value of the portfolio investments at March 31, 2014 was \$10,009 (2013 - \$7,071), with an average yield of 2.47% (2013- 4.38%).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2014 was \$11,590 (2013 - \$9,273) with a positive return of 17.44% (2013 - 9.81%).

Venture investments include 250 Class D Preferred Limited Partnership units, and 475 Class A non-voting preferred shares with a fixed cumulative annual distribution of 6.25% and 6.5% respectively based on its investment. The Class D shares are redeemable in March 2015. The Class A shares are redeemable in March 2019.

5 REVENUES RECEIVABLE

	2014	2013
(a) Due from the Government of Canada		
Health Canada	10,683	11,672
Infrastructure Funds	1,898	11,441
Goods and Services Tax	6,566	3,923
Official Languages	5,035	7,783
Transport Canada Programs	7,420	1,695
Canada Mortgage and Housing Corporation	838	906
Aboriginal Affairs and Northern Development Canada	1,354	1,676
Other receivables	16,466	18,108
	50,260	60,204
(b) Other revenues receivable		
- Of the Territorial Corporations	53,720	53,346
- Of the Departments of Government	38,773	31,045
- Of the Petroleum Products Division	28,324	30,346
	120,817	114,737
Less: Allowance for doubtful accounts	(45,029)	(43,704)
	75,788	71,033

6 INVENTORIES

	2014	2013
(a) For resale		
Bulk fuels	77,180	95,723
Liquor products	1,560	1,862
Finished goods	1,966	2,620
Packaging materials and supplies	172	202
	80,878	100,407
(b) For use		
Fuel	10,371	9,493
Supplies and lubricants	14,136	10,092
Health and medical supplies	2,855	2,488
Raw materials and work in progress	580	575
	27,942	22,648

During the year, bulk fuels inventory of the Petroleum Products Division was written down \$287 (2013 - \$462) and the finished goods inventory of Nunavut Development Corporation was written down by \$4 (2013 - \$24).

**GOVERNMENT OF NUNAVUT
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7 LOANS RECEIVABLE	2014	2013
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 5.19% and 14.25% (2013 - 5.19% and 14.25%), net of valuation allowance of \$17,344 (2013 - \$17,911) and subsidy to mortgage holders of \$1,042 (2013 - \$2,775).	1,766	1,667
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 3.09% and 10.25% (2013 - 3.09% and 10.25%), net of valuation allowance of \$1,800 (2013 - \$994). The principal collaterals held as security and other credit enhancements for loans include: (i) various securities on assets; and (ii) corporate and personal guarantees.	19,310	10,508
Student Loan Fund loans, bearing interest between 0.0% and 12.5%, net of doubtful accounts and valuation allowances of \$4,553 (2013 - \$4,340).	1,531	1,460
Other, net of valuation allowance of \$64 (2013 - \$64).	327	343
	22,934	13,978

At March 31, 2014, the Nunavut Business Credit Corporation had commitments to make future loan disbursements on term loans of \$2,316 (2013 - \$2,134) due within the next fiscal year and on credit lines of \$2,564 (2013 - \$1,424) that are on demand with no established timelines.

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2014	2013
Accounts payable	125,644	133,081
Accrued liabilities, payroll deductions and contractor holdbacks	84,160	61,340
Vacation pay and lieu time	32,955	31,608
Due to the Government of Canada	26,944	27,716
Due to the Government of the Northwest Territories	4,493	5,144
	274,196	258,889

9 DEFERRED REVENUES	2014	2013
Provincial-Territorial Base Funding (Building Canada Fund)	48,433	70,415
Gas Tax Agreement	29,071	26,662
CMHC - Investment in Affordable Housing Program	23,751	-
Other deferred revenue	9,544	11,626
	110,799	108,703

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2014-15 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its consolidated financial statements.

10 ENVIRONMENTAL LIABILITIES	2014	2013
Liabilities for remediation of contaminated sites	13,920	10,799
	13,920	10,799

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2014, there were 34 sites (2013 - 31 sites) identified as potentially requiring environmental remediation. For those contaminated sites where the Government of Nunavut is responsible or has accepted responsibility, and an estimate could be determined for remediation costs, a liability has been recorded. Accruals have been established for 28 identified sites (2013 - 25 sites).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year that they become known and can be reasonably estimated.

GOVERNMENT OF NUNAVUT
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11 PENSION LIABILITIES

Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2014 was 1.45 times for members enrolled before January 1, 2013 and 1.43 times for members enrolled beginning January 1, 2013 (2013 - 1.64 and 1.57 times for 2013). Total employer contributions of \$38,930 (2013 - \$37,388) were recognized as expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2014 (no changes in 2013).

Actuarial valuations were completed for these plans as of April 1, 2011. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 2.8%), return on assets (inflation, plus 2.8%), increases in remuneration (inflation, plus 1.0%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2014.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

**GOVERNMENT OF NUNAVUT
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11 PENSION LIABILITIES (continued)

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows.

	LARAF	SRAF	2014	2013
Accrued benefit obligation	5,747	9,090	14,837	14,518
Deduct:				
Pension fund assets	6,202	-	6,202	6,480
Unamortized actuarial (gain) loss	(284)	51	(233)	200
	5,918	51	5,969	6,680
Pension (asset) liability	(171)	9,039	8,868	7,838

As at March 31, 2014, LARAF pension fund assets had a market value of \$6,891 (2013 - \$6,683). The actual rate of return was positive 19.80% (2013 - 10.13%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 4).

LARAF and SRAF actuarial gains/losses are amortized over 6.0 and 6.0 years respectively (2013 - 1.6 and 1.7 years respectively) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components.

	LARAF	SRAF	2014	2013
Current period benefit cost	856	1,228	2,084	1,899
Amortization of actuarial (gains) losses	11	84	95	134
	867	1,312	2,179	2,033
MLAs contributions	(209)	-	(209)	(192)
Pension expense	658	1,312	1,970	1,841
Interest cost on the average accrued benefit obligation	304	433	737	682
Expected return on the average pension plan assets	(301)	-	(301)	(287)
Pension interest expense	3	433	436	395
Total expenses related to pensions	661	1,745	2,406	2,236

Pension benefits paid for the LARAF and SRAF were \$1,770 and \$732, respectively (2013 - \$106 and \$636, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$643 and \$1,258, respectively (2013 - \$589 and \$1,147, respectively).

12 OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

In addition to pension benefits, the government provides severance and removal benefits to employees. The cost of these benefits accrue either as employees render service or upon the occurrence of an event resulting in eligibility for benefits. These benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by management.

	2014	2013
Severance	19,442	14,652
Removal	10,859	9,386
	30,301	24,038

**GOVERNMENT OF NUNAVUT
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Notes to Consolidated Financial Statements

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(in thousands of dollars)

13 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2014	2013
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments of \$2,285 to the year 2032, bearing interest at a rate of 6.97% (2013 - 6.97%).	14,061	15,264
Mortgage payable in annual installments of \$554 to the year 2020, bearing interest at a rate of 6.9% (2013 - 6.9%) compounded semi-annually. The mortgage is secured by a building. The carrying value of the security is \$5,774 (2013 - \$6,085)	2,934	3,276
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2013 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of \$2,848 with a balloon payment of \$17,502 at the end of the term.	42,259	44,941
Non-revolving fixed rate term loan facility with payments of \$42 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	3,089	3,451
Non-revolving fixed rate term loan facility with payments of \$53 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	3,943	4,404
Non-revolving fixed rate term loan facility with payments of \$74 due monthly with the final payment due on June 1, 2021. Interest at 4.24%.	5,539	6,182
Non-revolving fixed rate term loan facility with payments of \$30 due monthly with the final payment due on February 1, 2022. Interest at 4.24%.	4,454	4,618
Non-revolving fixed rate term loan facility with payments of \$133 due monthly with the final payment due on July 1, 2021. Interest at 4.24%.	10,043	11,188
Floating rate capital loan facility due 2022, with an option to extend by up to 10 years at the discretion of the lender, interest rate of prime minus 0.50%		19,667
Non-revolving committed loan facility, interest rate of 1.22%	18,667	
Non-revolving bridge loan facility, interest rate of 1.22%	14,000	
	118,989	112,991

The QEC bank credit facility limit is \$20,000 (2013 - \$12,000). The non-revolving committed and bridge loan facilities above each has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof. During the year, QEC exercised its option on Facility G to convert the loan from a non-revolving committed loan to BAs.

Principal and interest amounts due in each of the next five fiscal years and thereafter on the loans and mortgages payable are as follows:

	Principal	Interest	Total
2015	22,417	5,591	28,008
2016	8,856	4,963	13,819
2017	9,222	4,476	13,698
2018	9,347	3,970	13,317
2019	9,398	3,457	12,855
2020 and beyond	59,749	8,746	68,495
	118,989	31,203	150,192

Interest expense on long term debt was \$5,604 for the year (2013 - \$4,259). During the year, interest costs of \$350 (2013 - \$2,089) were capitalized as part of additions to tangible capital assets. The interest paid on long term debt during the year was \$5,995 (2013 - \$6,387).

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements****March 31, 2014***(in thousands of dollars)***13 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)****Borrowing Authority**

The Governor General in Council of Canada, pursuant to subsection 27(5) of the *Nunavut Act*, has approved the Government of Nunavut borrowing up to \$400 million (i.e., authorized borrowing limit).

	2014	2013
Qulliq Energy Corporation, long term debt	101,994	94,451
Nunavut Housing Corporation, long term debt	14,061	15,264
Consolidated Revenue Fund, mortgage payable	2,934	3,276
Capital lease obligations	59,095	69,489
Consolidated Revenue Fund, Iqaluit International Airport Improvement Project	31,885	-
	209,969	182,480
Qulliq Energy Corporation, bank overdraft liability	14,665	4,114
Nunavut Development Corporation, bank overdraft liability and subsidiary credit facilities	328	507
Total debt	224,962	187,101
Authorized borrowing limit	400,000	400,000
Available borrowing capacity	175,038	212,899

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as the bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation. As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

Under the terms of the 1999 Social Housing Agreement (SHA), the Government of Canada originally provided funding to the Nunavut Housing Corporation (NHC) to build social housing assets in the form of long-term mortgages payable to CMHC (referred to as section 79 debt under the SHA) and loans payable to CMHC (referred to as section 82 debt under the SHA). Under the SHA, the funding provided to NHC was used to reduce 100% of the section 79 debt and reduce by 5/9th of the section 82 debt, and to fund the related interest payments that NHC would make each year to CMHC. This funding receivable from CMHC and the related payments due by NHC each year on the long term debt payable to CMHC are offset, resulting in no exchange of cash between NHC and CMHC. The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable. As the funding from CMHC and the corresponding repayments of long term debt are non-cash transactions, they have not been recorded in the consolidated statement of cash flow.

14 IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The design and construction components are scheduled to be completed by December 2017 at an estimated cost of \$298,518, \$277,942 of which represent costs incurred by the P3 proponent.

As of March 31, 2014, total eligible costs of \$34,685 had been incurred by the P3 proponent against which \$2,800 of progress payments were made by government. The capital costs of the arrangements will be partially funded by up to \$77,300 from PPP Canada Inc.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements****March 31, 2014***(in thousands of dollars)***15 CAPITAL LEASE OBLIGATIONS**

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2014	2013
Total minimum lease payments	74,653	90,667
Less: imputed interest	(15,006)	(19,536)
Less: executory costs	(552)	(1,642)
Present value of minimum lease payments	59,095	69,489

Minimum lease payments, including principal, interest and executory costs, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Executory	Total
2015	9,080	3,769	476	13,325
2016	8,080	3,171	26	11,277
2017	8,661	2,595	26	11,282
2018	9,253	1,982	24	11,259
2019	9,823	1,330	-	11,153
2020 and beyond	14,198	2,159	-	16,357
	59,095	15,006	552	74,653

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$4,535 (2013 - \$5,334) at an implied average interest rate of 7.7% (2013 - 7.7%). The capital lease obligations expire between 2015 and 2027.

16 EXPENSES BY TYPE

	2014	2013
Compensation and employee benefits	575,135	531,297
Grants and contributions	164,527	159,612
Goods and services	996,501	951,774
Amortization of tangible capital assets	104,948	100,070
Interest expense	10,859	9,806
Increase in valuation allowances	5,500	4,982
	1,857,470	1,757,541

17 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2014:

	Year of Expiration	Total
Commitments under operating leases	2027	165,393
Capital commitments	2019	405,250
Policing agreement	2032	643,896
Other commitments	2047	795,899
		2,010,438

Contractual obligations by fiscal year are as follows:

2015	314,816
2016	212,660
2017	147,712
2018	117,995
2019	63,657
2020 and beyond	1,153,598
	2,010,438

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements**

March 31, 2014*(in thousands of dollars)*

18 CONTINGENCIES**(a) Post-division adjustments**

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2014, no new post-division adjustments were recorded.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2014, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Pay Equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2014, no provision has been made in these consolidated financial statements.

(e) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately \$2,140 as at March 31, 2014 (2013 - \$2,413).

19 RELATED PARTY TRANSACTIONS

Significant related party transactions and balances are disclosed separately in these consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Consolidated Financial Statements****March 31, 2014***(in thousands of dollars)***20 TRUSTS UNDER ADMINISTRATION**

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2014	2013
Public Trustee	4,495	3,917
Natural Resources Conservation Trust	290	286
Victims' Assistance Trust	238	464
Territorial Court Trust	212	198
Maintenance Enforcement Trust	60	70
Scholarship Fund	43	43
Young Offenders Trust	32	14
Uttaqivik CRC Welfare	22	-
Sheriff's Imprest Account	17	10
Baffin Correctional Centre Welfare Trust	16	5
Young Offenders Welfare Trust	7	-
Rankin Inlet Inmate Fund	6	2
Rankin Inlet Offender Fund	5	-
Nunavut Labour Standards Board Trust	3	3
Woman's Centre - Inmate funds Welfare	1	-
HSS - Akausisarvik	1	2
Millennium Scholarship Fund	-	11
Baffin Correctional Centre Inmate Trust	-	3
	5,448	5,028

21 CONSOLIDATED BUDGET

The schedule below reconciles the Government's budget presented to the Legislative Assembly to the consolidated budget totals for 2013-14 reported in the Consolidated Statement of Operations and Accumulated Surplus.

	Budget Per Main Estimates (1)	Budgets of Territorial Corporations (2)	Budgeted Consolidation Adjustments (3)	Consolidated Budget
Revenues				
From the Government of Canada	1,541,900	20,000	-	1,561,900
From the Government of Nunavut	-	256,300	(256,300)	-
Revenues generated by the Government of Nunavut	318,300	146,200	(119,700)	344,800
Total revenues	1,860,200	422,500	(376,000)	1,906,700
Expenses				
Community and Government Services	494,300	-	(66,800)	427,500
Health	369,600	-	(200)	369,400
Education	243,600	58,000	(48,100)	253,500
Housing	194,700	242,400	(192,900)	244,200
Finance	121,600	121,100	(59,400)	183,300
Economic Development and Transportation	102,000	10,000	(4,600)	107,400
Justice	114,000	-	-	114,000
Family Services	118,200	-	-	118,200
Culture and Heritage	28,800	-	-	28,800
Environment	27,000	-	-	27,000
Executive and Intergovernmental Affairs	31,800	-	-	31,800
Legislative Assembly	22,200	-	-	22,200
Human Resources	-	-	-	-
Total expenses	1,867,800	431,500	(372,000)	1,927,300
Surplus (deficit) for year	(7,600)	(9,000)	(4,000)	(20,600)

(1) The budgeted totals originally presented to the Legislative Assembly have been adjusted for the projected supplementary requirements, principal payments on capital leases, amortization and transfers to tangible capital assets included in the 2013-2014 Main Estimates and Capital Estimates. Further, budgeted revenues generated by the Government of Nunavut shown on a net basis in the Main Estimates have been increased \$184,300 to reclassify cost of goods sold (COGS) of revolving funds to expenses. Budgeted expenses of Finance and Community and Government Services have been increased by \$3,000 and \$181,300 respectively to reflect the COGS of the revolving funds.

(2) The budgets of the territorial corporations have been allocated to the government's expense lines based on their ministerial reporting relationship.

(3) The budgeted consolidation adjustments are based on amounts budgeted by the territorial corporations and government departments or where necessary estimated based on historical experience.

22 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

SCHEDULE A

**Consolidated Schedule of Revenues by Source
for the year ended March 31, 2014
(in thousands of dollars)**

	2014	2013
	Actual	Actual
From the Government of Canada		
Territorial Formula Financing Agreement	1,350,391	1,273,498
Transfers under third-party funding agreements	137,232	110,764
Other transfer payments	117,716	105,096
	1,605,339	1,489,358
Revenues generated by the Government of Nunavut		
Personal income tax	29,697	27,065
Corporate income tax	14,118	9,500
Payroll tax	23,489	21,725
Tobacco tax	16,133	16,667
Fuel tax	4,684	5,328
Property tax	2,974	2,692
Insurance tax	1,343	1,268
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of \$119,785 (2013 - \$129,387)	141,272	145,416
Liquor Revolving Fund - before cost of goods sold of \$2,187 (2013 - \$2,295)	5,991	6,371
Nunavut Development Corporation - before cost of goods sold of \$4,951 (2013 - \$6,808)	5,173	6,044
Qulliq Energy Corporation - power sales	61,102	57,398
Staff housing recoveries	18,539	17,827
Transfers under third-party funding agreements	2,232	2,407
Recoveries of prior years expenditures	9,289	13,315
Other revenues	64,609	54,606
	400,645	387,629
Total revenues	2,005,984	1,876,987

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

SCHEDULE B

Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2014
(in thousands of dollars)

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equip- ment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infra- structure	Land	2014	2013
Cost of tangible capital assets												
Opening balance	1,798,404	155,201	50,798	154,334	96,974	46,712	150,999	57,779	149,342	428	2,660,971	2,574,924
Additions	4,291	-	-	-	6,788	-	-	-	4,925	-	16,004	6,502
Transferred from work in progress	64,368	-	515	6,911	1,578	1,461	40,477	2,135	23,400	-	140,845	83,473
Disposals	(1,866)	(15,503)	-	-	-	(422)	-	(1,240)	-	-	(19,031)	(3,928)
Closing balance	1,865,197	139,698	51,313	161,245	105,340	47,751	191,476	58,674	177,667	428	2,798,789	2,660,971
Accumulated amortization												
Opening balance	(637,307)	(65,496)	(23,559)	(55,355)	(62,294)	(15,574)	(72,401)	(18,112)	(51,852)	-	(1,001,950)	(904,167)
Amortization	(67,368)	(4,656)	(1,629)	(5,462)	(12,266)	(782)	(6,018)	(1,064)	(5,703)	-	(104,948)	(100,070)
Disposals	1,052	15,503	-	-	-	379	-	457	-	-	17,391	2,287
Closing balance	(703,623)	(54,649)	(25,188)	(60,817)	(74,560)	(15,977)	(76,419)	(18,719)	(57,555)	-	(1,089,507)	(1,001,950)
Work in progress												
Opening balance	66,644	-	151	4,416	4,016	716	48,918	308	13,202	-	138,371	110,102
Additions	116,090	-	708	13,411	82	3,346	13,971	3,781	21,961	-	173,350	111,742
Transferred to cost of tangible capital assets	(64,368)	-	(515)	(6,911)	(1,578)	(1,461)	(40,477)	(2,135)	(23,400)	-	(140,845)	(83,473)
Closing balance	118,366	-	344	10,916	2,520	2,601	22,412	1,954	11,763	-	170,876	138,371
Net book value	1,279,940	85,049	26,469	111,344	33,300	34,375	135,469	41,909	131,875	428	1,880,158	1,797,392
Estimated useful life	30 years	20-30 years	30 years	30 years	5-30 years	5-40 years	20-40 years	20-40 years	30 years			

Note: During the year, interest of \$350 was capitalized (2013 - \$2,089) as part of the cost of additions.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Schedule of Segmented Information
for the year ended March 31, 2014
(in thousands of dollars)
SCHEDULE C

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2014	2013
Revenues							
From the Government of Canada							
Territorial Formula Financing Agreement	1,350,391	-	-	1,350,391	-	1,350,391	1,273,498
Transfers under third-party funding agreements	136,455	-	777	137,232	-	137,232	110,764
Other transfer payments	87,460	-	30,256	117,716	-	117,716	105,096
	1,574,306	-	31,033	1,605,339	-	1,605,339	1,489,358
Generated by the Government of Nunavut							
Corporate and personal income taxes	43,815	-	-	43,815	-	43,815	36,565
Other taxes	48,623	-	-	48,623	-	48,623	47,680
Sales	-	216,239	118,621	334,860	(121,322)	213,538	215,229
Transfers under third-party funding agreements	2,232	-	-	2,232	-	2,232	2,407
General	50,638	-	306,744	357,382	(274,234)	83,148	72,433
	145,308	216,239	425,365	786,912	(395,556)	391,356	374,314
Recoveries of prior years expenditures	9,289	-	-	9,289	-	9,289	13,315
Total revenues	1,728,903	216,239	456,398	2,401,540	(395,556)	2,005,984	1,876,987
Expenses							
Compensation and employee benefits	478,511	6,083	84,421	569,015	6,120	575,135	531,297
Grants and contributions	403,365	-	-	403,365	(238,838)	164,527	159,612
Goods and services	633,843	211,580	310,898	1,156,321	(159,820)	996,501	951,774
Amortization of tangible capital assets	57,682	-	42,125	99,807	5,141	104,948	100,070
Interest expense	4,156	10	6,958	11,124	(265)	10,859	9,806
Increase in valuation allowances	1,114	103	3,282	4,499	1,001	5,500	4,982
Total expenses	1,578,671	217,776	447,684	2,244,131	(386,661)	1,857,470	1,757,541
Surplus (deficit) for year	150,232	(1,537)	8,714	157,409	(8,895)	148,514	119,446

(1) - Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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GOVERNMENT OF NUNAVUT

PUBLIC ACCOUNTS

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2014

(in thousands of dollars)

	Note	2014	2013
Financial assets			
Cash and cash equivalents	3	476,023	369,759
Due from the Government of Canada	4	45,718	56,425
Revenues receivable	5	101,988	105,132
Inventories for resale	6(a)	78,740	97,585
Loans receivable	7	26,825	19,673
Designated investments	8	9,420	8,156
Total financial assets		738,714	656,730
Liabilities			
Accounts payable and accrued liabilities	9	241,051	232,333
Deferred revenues	10	86,577	107,895
Environmental liabilities	11	13,920	10,799
Pension liabilities	12	8,868	7,838
Other post-employment benefit liabilities	13	24,275	19,180
Mortgage payable	14	2,934	3,276
Iqaluit International Airport Improvement Project	15	31,885	-
Capital lease obligations	16	53,421	60,072
Total liabilities		462,931	441,393
Net financial assets		275,783	215,337
Non-financial assets			
Tangible capital assets (Schedule C)		1,091,536	1,003,927
Inventories for use	6(b)	2,855	2,488
Prepaid expenses		2,267	1,993
Total non-financial assets		1,096,658	1,008,408
Accumulated surplus		1,372,441	1,223,745

Contractual obligations (Note 18)

Contingencies (Note 19)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2014

(in thousands of dollars)

	2014 Budget (Note 22)	2014 Actual	2013 Actual
Revenues (Schedule A)			
From the Government of Canada	1,541,914	1,574,306	1,463,411
Tax revenues generated by the Government of Nunavut	84,100	92,438	84,245
Other revenues generated by the Government of Nunavut	49,895	78,161	59,095
Recoveries of prior years expenditures	-	9,289	13,315
Total revenues	1,675,909	1,754,194	1,620,066
Expenses (Schedule B)			
Operations and maintenance expenses before amortization	1,454,956	1,453,811	1,378,443
Plus: Amortization expenses on tangible capital assets	44,466	57,682	53,656
Total operations and maintenance expenses	1,499,422	1,511,493	1,432,099
Capital expenditures	303,810	239,296	125,091
Less: Transfers to tangible capital assets	119,777	145,291	59,205
Total capital expenses	184,033	94,005	65,886
Total expenses	1,683,455	1,605,498	1,497,985
Surplus (deficit) for year	(7,546)	148,696	122,081
Accumulated surplus, beginning of year	1,223,745	1,223,745	1,101,664
Accumulated surplus, end of year	1,216,199	1,372,441	1,223,745

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Non-Consolidated Statement of Change in Net Financial Assets (unaudited)****for the year ended March 31, 2014***(in thousands of dollars)*

	2014 Budget	2014 Actual	2013 Actual
Surplus (deficit) for year	(7,546)	148,696	122,081
Tangible capital assets (Schedule C)			
Additions	(119,777)	(145,291)	(59,205)
Disposals	-	-	703
Amortization	44,466	57,682	53,656
	(75,311)	(87,609)	(4,846)
Net use (additions) of inventories for use	-	(367)	(21)
Net use (additions) of prepaid expenses	-	(274)	(135)
	-	(641)	(156)
Increase (decrease) in net financial assets	(82,857)	60,446	117,079
Net financial assets, beginning of year	215,337	215,337	98,258
Net financial assets, end of year	132,480	275,783	215,337

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Non-Consolidated Statement of Cash Flow (unaudited)****for the year ended March 31, 2014***(in thousands of dollars)*

	2014	2013
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,563,707	1,491,709
Taxes	92,350	84,888
Other government revenues	264,955	253,366
Interest on loans receivable and portfolio investments	963	343
Interest payments on capital leases and mortgage	(3,940)	(4,639)
Compensation and employee benefits	(477,606)	(444,523)
Grants and contributions	(438,744)	(410,478)
Goods and services	(766,608)	(750,681)
	235,077	219,985
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(113,406)	(59,205)
Tangible capital asset disposals	-	703
	(113,406)	(58,502)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(592)	(357)
Loan repayments received	441	334
Working capital advance to Nunavut Business Credit Corporation	(7,000)	-
Designated investments acquisitions	(1,264)	(601)
	(8,415)	(624)
Cash provided by (used for) financing activities:		
Principal payments on capital leases	(6,650)	(6,207)
Principal payments on mortgage payable	(342)	(319)
	(6,992)	(6,526)
Increase in cash and cash equivalents	106,264	154,333
Cash and cash equivalents, beginning of year	369,759	215,426
Cash and cash equivalents, end of year (Note 3)	476,023	369,759

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2014*(in thousands of dollars)*

1 AUTHORITY AND OPERATIONS**(a) Government of Nunavut**

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act* (Canada). The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2013-2014 Main Estimates were tabled in the Legislative Assembly in February 2013 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2013-2014 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations Act approved by the Legislative Assembly in March 2013, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

These non-consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Chartered Professional Accountants of Canada (CPA Canada), with the exception that they are not consolidated and certain revenues are reported net of expenses. That is, the petroleum products division and liquor revenues are reported net of their cost of goods sold.

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations
- Nunavut Arctic College
- Nunavut Business Credit Corporation
- Nunavut Development Corporation
- Nunavut Housing Corporation
- Qulliq Energy Corporation

Other public agencies
- District Education Authorities
- Human Rights Tribunal
- Inuit Uqausinginnik Taiguusiliuqtilit
- Labour Standards Board
- Legal Services Board
- Liquor Commission
- Nunavut Liquor Licensing Board
- Office of the Public Trustee
- Qulliit Nunavut Status of Women Council

Nunavut Lottery, which operates as a government business partnership, is recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2014*(in thousands of dollars)*

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Use of estimates and measurement uncertainty**

The preparation of financial statements in accordance with Canadian PSAS requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenues collected by the Government of Canada on the Government's behalf.

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets, environmental liabilities, contingencies and other post-employment benefit liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel is valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)*

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life based on the following rates:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other post-employment benefits**Pension benefits**

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various assumptions. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Other post-employment benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014****(in thousands of dollars)**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Revenues**

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes and general revenues

Income tax revenue is recognized when the taxpayer has earned income that is subject to tax. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commission on tobacco tax revenue provides a financial benefit other than relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations. Pursuant to the subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(k) Expenses

Expenses are recorded on an accrual basis.

Transfers (e.g., grants and contributions) by the Government are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient.

(l) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects, and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014****(in thousands of dollars)**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Environmental liabilities**

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. The environmental liabilities are reassessed on an annual basis.

(n) Financial instruments

The fair values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity less than 12 months), due from the Government of Canada and other revenues receivable, approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, other post-employment benefit liabilities, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

(o) Future changes in accounting standards

A number of new and amended standards issued by PSAB are not yet effective and have not been applied in preparing these financial statements. The following standards for governments will become effective as follows:

PS 3260 Liability for Contaminated Sites (effective April 1, 2014), a new standard providing guidance on the recognition, measurement and disclosure of liabilities for remediation of contaminated sites for which the government is or accepts responsibility for.

PS 3450 Financial Instruments (effective April 1, 2016), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective April 1, 2016), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its financial statements.

3 CASH AND CASH EQUIVALENTS

	2014	2013
Cash	455,563	349,621
Guaranteed investment certificates	20,460	20,138
	476,023	369,759

During the year, government earned interest of prime less 1.75% on its net bank balances (2013 - prime less 1.75%). At year end, short term investments were held in guaranteed investment certificates. The market yield of this portfolio was 1.25% to 1.67% (2013 - 1.25% to 1.67%), with an average remaining term to maturity after year end of 113 days (2013 - 112 days).

GOVERNMENT OF NUNAVUT

PUBLIC ACCOUNTS

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(in thousands of dollars)

4 DUE FROM THE GOVERNMENT OF CANADA

	2014	2013
Grant receivable:		
From the Government of Canada (Schedule A)	1,350,391	1,273,498
Less: Payments received	(1,350,391)	(1,273,498)
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	45,718	56,425
	45,718	56,425

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

5 REVENUES RECEIVABLE

	2014	2013
Receivable by funds		
Consolidated Revenue Fund	51,717	43,330
Petroleum Products Revolving Fund	63,153	75,915
Public Stores Revolving Fund	50	21
Liquor Revolving Fund	1	1
	114,921	119,267
Less: Allowance for doubtful accounts	(12,933)	(14,135)
	101,988	105,132
Receivable by relation with the creditors		
Nunavut Arctic College	4,928	5,696
District Education Authorities	5,371	2,740
Nunavut Business Credit Corporation	347	260
Nunavut Development Corporation	56	96
Nunavut Housing Corporation	10,615	10,464
Quilliq Energy Corporation	26,506	38,620
Receivable from related parties	47,823	57,876
Other accounts receivable	67,098	61,391
	114,921	119,267
Less: Allowance for doubtful accounts	(12,933)	(14,135)
	101,988	105,132

6 INVENTORIES

	2014	2013
(a) For resale		
Bulk fuels	77,180	95,723
Liquor products	1,560	1,862
	78,740	97,585

The write-down for bulk fuels inventory for 2014 was \$287 (2013 - \$462).

(b) For use

	2014	2013
Health and medical supplies	2,855	2,488

7 LOANS RECEIVABLE

Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 1.02% and 1.43% (2013 - 1.03% and 1.44%) at the end of the month, compounded annually.	25,294	18,213
Student Loan Fund loans, bearing interest between 0% and 12.5%, net of doubtful accounts and valuation allowances of \$4,553 (2013 - \$4,340).	1,531	1,460
Other, net of valuation allowances of \$64 (2013 - \$64)	26,825	19,673

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)*

8 DESIGNATED INVESTMENTS	2014	2013
SRAF designated investments	9,420	8,156
The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2014 was \$11,590 (2013 - \$9,273) with a positive return of 17.44% (2013 - 9.81%).		
9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
To related parties	2014	2013
Nunavut Arctic College	2,366	1,679
District Education Authorities	966	2,561
Nunavut Business Credit Corporation	2	13
Nunavut Development Corporation	86	140
Nunavut Housing Corporation	702	4,536
Qulliq Energy Corporation	5,780	7,511
	9,902	16,440
To others	2014	2013
Accounts payable	87,158	94,946
Accrued liabilities, payroll deductions, and contractor holdbacks	84,160	61,340
Vacation pay and lieu time	29,331	28,468
Due to the Government of Canada	26,007	25,995
Due to the Government of the Northwest Territories	4,493	5,144
	231,149	215,893
	241,051	232,333
10 DEFERRED REVENUES	2014	2013
Provincial-Territorial Base Funding (Building Canada Fund)	48,433	70,415
Gas Tax Agreement	29,071	26,662
Other deferred revenue	9,073	10,818
	86,577	107,895

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2014-15 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its non-consolidated financial statements.

11 ENVIRONMENTAL LIABILITIES	2014	2013
Liabilities for remediation of contaminated sites	13,920	10,799

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2014, there were 34 (2013 - 31) sites identified as potentially requiring environmental remediation. For those contaminated sites where the Government of Nunavut is responsible or has accepted responsibility, and an estimate could be determined for remediation costs, a liability has been recorded. Accruals have been established for 28 identified sites (2013 - 25 sites).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year that they become known.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2014

(in thousands of dollars)

12 PENSION LIABILITIES**(a) Public Service Pension Plan**

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2014 was 1.45 times for members enrolled before January 1, 2013 and 1.43 times for members enrolled beginning January 1, 2013 (2013 - 1.64 and 1.57 times for 2013). Total employer contributions of \$33,540 (2013 - \$31,990) were recognized as expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

(b) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2014 (no changes in 2013).

Actuarial valuations were completed for these plans as of April 1, 2011. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 2.8%), return on assets (inflation, plus 2.8%), increases in remuneration (inflation, plus 1.0%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2014.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of: (a) age 60; (b) 30 years of service; or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)***12 PENSION LIABILITIES (continued)**

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2014	2013
Accrued benefit obligation	5,747	9,090	14,837	14,518
Deduct:				
Pension fund assets	6,202	-	6,202	6,480
Unamortized actuarial (gains) losses	(284)	51	(233)	200
	5,918	51	5,969	6,680
Pension (asset) liability	(171)	9,039	8,868	7,838

As at March 31, 2014, the LARAF pension fund assets had a market value of \$6,891 (2013 - \$6,683). The actual rate of return was positive 19.80% (2013 - 10.13%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are amortized over 6.0 and 6.0 years respectively (2013 - 1.6 and 1.7 years respectively) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2014	2013
Current period benefit cost	856	1,228	2,084	1,899
Amortization of actuarial (gains) losses	11	84	95	134
MLAs contributions	867	1,312	2,179	2,033
Pension expense	(209)	-	(209)	(192)
Interest cost on the average accrued benefit obligation	658	1,312	1,970	1,841
Expected return on average pension plan assets	304	433	737	682
Pension interest expense	(301)	-	(301)	(287)
Total pension expenses	661	1,745	2,406	2,236

Pension benefits paid for the LARAF and SRAF were \$1,770 and \$732, respectively (2013 - \$106 and \$636, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$643 and \$1,258, respectively (2013 - \$589 and \$1,147, respectively).

13 OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

In addition to pension benefits, the government provides severance and removal benefits to employees. The cost of these benefits accrue either as employees render service or upon the occurrence of an event resulting in eligibility for benefits. These benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by management.

	2014	2013
Severance	14,202	10,517
Removal	10,073	8,663
	24,275	19,180

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)***14 MORTGAGE PAYABLE**

Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.

		2014	2013
		2,934	3,276
Future mortgage payments consist of:			
2015	366	188	554
2016	391	163	554
2017	419	135	554
2018	448	106	554
2019	480	74	554
2020 and beyond	830	42	872
	2,934	708	3,642

Interest expense on the mortgage payable was \$210 for the year (2013 - \$233). The interest paid on the mortgage payable during the year was \$212 (2013 - \$235).

15 IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The design and construction components are scheduled to be completed by December 2017 at an estimated cost of \$298,518, \$277,942 of which represent costs incurred by the P3 proponent.

As of March 31, 2014, total eligible costs of \$34,685 had been incurred by the P3 proponent against which \$2,800 of progress payments were made by government. The capital costs of the arrangements will be partially funded by up to \$77,300 from PPP Canada Inc.

16 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for the leases in effect as of March 31.

		2014	2013
Total minimum lease payments		67,165	77,757
Less: Imputed interest		(13,744)	(17,685)
Present value of minimum lease payments		53,421	60,072

Minimum lease payments, including principal and interest, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2015	7,124	3,467	10,591
2016	7,631	2,960	10,591
2017	8,226	2,414	10,640
2018	8,812	1,828	10,640
2019	9,440	1,201	10,641
2020 and beyond	12,188	1,874	14,062
	53,421	13,744	67,165

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$3,941 (2013 - \$4,383) at an implied average interest rate of 7.0% (2013 - 7.0%). The capital lease obligations expire between 2020 and 2027.

17 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$10,000.

	2014	2013
Surplus (deficit), beginning of year	(5,146)	10,000
Petroleum Products Revolving Fund net profit (loss) for the year	(3,802)	(15,146)
Minimum transfer required from (to) Consolidated Revenue Fund	-	-
Surplus (deficit), end of year	(8,948)	(5,146)

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)*

18 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2014:

	Year of Expiration	Total
Capital commitments	2019	405,250
Operational commitments	2047	795,899
Policing agreement	2032	643,896
Operating leases (Schedule 5)	2027	54,244
		1,899,289

Contractual obligations by fiscal year are as follows:

2015	284,243
2016	186,228
2017	130,806
2018	103,978
2019	52,258
2020 and beyond	1,141,776
	1,899,289

19 CONTINGENCIES**(a) Post-division adjustments**

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2014, no new post-division adjustments were recorded.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the non-consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2014, all of these claims have been assessed as being either without merit or not determinable at this time.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)***19 CONTINGENCIES (continued)****(d) Pay equity**

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of March 31, 2014, no provision has been made in these financial statements.

(e) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2014	2013
Bank credit facility, interest at prime minus 0.50%	14,665	4,114
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	42,259	44,941
Fixed rate capital loan facility due 2021, interest rate of 4.24%	3,089	3,451
Fixed rate capital loan facility due 2021, interest rate of 4.24%	3,943	4,404
Fixed rate capital loan facility due 2021, interest rate of 4.24%	5,539	6,182
Fixed rate capital loan facility due 2022, interest rate of 4.24%	4,454	4,618
Fixed rate capital loan facility due 2021, interest rate of 4.24%	10,043	11,188
Floating rate capital loan facility due 2022, with an option to extend by up to 10 years at the discretion of the lender, interest rate of prime minus 0.50%	-	19,667
Non-revolving committed loan facility, interest rate of 1.22%	18,667	-
Non-revolving bridge loan facility, interest rate of 1.22%	14,000	-
Total guarantees provided on balances outstanding	116,659	98,565

The QEC bank credit facility limit is \$20,000 (2013 - \$12,000). The non-revolving committed and bridge loan facilities above each has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2014, NDC's bank overdraft position was \$nil (2013 - \$8).

20 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2014	2013
Nunavut Arctic College	2,721	2,975
District Education Authorities	12,895	14,267
Qulliq Energy Corporation	8,946	11,169
Nunavut Development Corporation	3,639	3,435
Nunavut Business Credit Corporation	621	662
Total	28,822	32,508

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$40,521 (2013 - \$38,019) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2014***(in thousands of dollars)*

21 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2014	2013
Public Trustee	4,495	3,917
Natural Resources Conservation Trust	290	286
Victims' Assistance Trust	238	464
Territorial Court Trust	212	198
Maintenance Enforcement Trust	60	70
Scholarship Fund	43	43
Young Offenders Trust	32	14
Uttaqivik CRC Welfare	22	-
Sheriff's Imprest Account	17	10
Baffin Correctional Centre Welfare Trust	16	5
Young Offenders Welfare Trust	7	-
Rankin Inlet Inmate Fund	6	2
Rankin Inlet Offender Fund	5	-
Nunavut Labour Standards Board Trust	3	3
Woman's Centre - Inmate funds Welfare	1	-
HSS - Akauisarvik	1	2
Millennium Scholarship Fund	-	11
Baffin Correctional Centre Inmate Trust	-	3
	5,448	5,028

22 BUDGET ADJUSTMENTS

The 2014 total revenue budget of \$1,675,209, includes \$1,564,286 of 'Revenues' and \$78,258 of 'Vote 5 Revenues' on page A-IV-4 of the 2013-2014 Main Estimates, plus \$33,365 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2013-2014 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2014 budget total for capital expenditures on Schedule B.2 of \$33,365 excludes the \$4,290 of CMHC capital projects budgeted for Nunavut Housing Corporation presented in Appendix IV of the 2013-2014 Capital Estimates. As a result, the budget totals for 'Vote 4 Expenses' and 'Vote 5 Revenues' (i.e., Transfers under third-party funding agreements) included in these statements is \$111,623 versus the actual budget of \$115,913. Page x of the 2013-2014 Main Estimates has a budget of \$115,213, which does not reflect \$700 increase in the Capital Estimates.

23 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule A

**Non-Consolidated Schedule of Revenues by Source (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)**

	2014 Budget	2014 Actual	2013 Actual
From the Government of Canada			
Territorial Formula Financing Agreement	1,350,391	1,350,391	1,273,498
Transfers under third-party funding agreements	111,623	136,455	110,313
Other transfer payments	79,900	87,460	79,600
	1,541,914	1,574,306	1,463,411
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	25,200	29,697	27,065
Corporate income tax	9,500	14,118	9,500
Payroll tax	24,300	23,489	21,725
Tobacco tax	17,600	16,133	16,667
Fuel tax	4,000	4,684	5,328
Property tax	2,800	2,974	2,692
Insurance tax	700	1,343	1,268
	84,100	92,438	84,245
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$181,375 (2013 - \$189,565)	14,485	21,487	16,029
Liquor revenue - net of cost of goods sold of \$2,187 (2013 - \$2,295)	4,310	3,804	4,076
Staff housing recoveries	16,200	18,539	17,827
Transfers under third-party funding agreements	-	2,232	1,818
Other	14,900	32,099	19,345
	49,895	78,161	59,095
Recoveries of prior years expenditures (Schedule 1)	-	9,289	13,315
Total revenues (Note 22)	1,675,909	1,754,194	1,620,066

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule B

Non-Consolidated Schedule of Expenses (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	1,318,429	1,342,819	(24,390)
<i>Plus:</i> Amortization expenses on tangible capital assets	44,466	51,256	(6,790)
Total operations and maintenance expenses	1,362,895	1,394,075	(31,180)
Capital expenditures	152,859	183,639	(30,780)
<i>Less:</i> Transfers to tangible capital assets	119,777	124,223	(4,446)
Total capital expenses	33,082	59,416	(26,334)
Total appropriation expenses	1,395,977	1,453,491	(57,514)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	78,258	83,028	(4,770)
<i>Plus:</i> Amortization expenses on tangible capital assets	-	6,426	(6,426)
Total operations and maintenance expenses	78,258	89,454	(11,196)
Capital expenditures	33,365	55,657	(22,292)
<i>Less:</i> Transfers to tangible capital assets	-	21,068	(21,068)
Total capital expenses	33,365	34,589	(1,224)
Total third-party agreement expenses	111,623	124,043	(12,420)
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	28,269	27,964	305
<i>Plus:</i> Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	28,269	27,964	305
Capital expenditures	-	-	-
<i>Less:</i> Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	28,269	27,964	305
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization	1,424,956	1,453,811	
<i>Plus:</i> Centrally estimated 'Supplementary requirements' per page x of 2013-2014 Main Estimates	45,600	-	
<i>Less:</i> Capital portion of the estimated 'Supplementary requirements'	15,600	-	
Total operations and maintenance expenses before amortization	1,454,956	1,453,811	1,145
<i>Plus:</i> Amortization expenses on tangible capital assets	44,466	57,682	(13,216)
Total operations and maintenance expenses	1,499,422	1,511,493	(12,071)
Capital expenditures	186,224	239,296	
<i>Plus:</i> Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2013-2014 Main Estimates	101,986	-	
<i>Plus:</i> Capital portion of the estimated 'Supplementary requirements'	15,600	-	
Total capital expenditures	303,810	239,296	64,514
<i>Less:</i> Transfers to tangible capital assets	119,777	145,291	(25,514)
Total capital expenses	184,033	94,005	90,028
Total expenses	1,683,455	1,605,498	77,957

Total expenses above includes, among other items, interest expense of \$4,166 (2013 - \$4,682) and a net increase in valuation allowances of \$1,217 (2013 - \$1,055).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.1

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supple- mentary Approp- riations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	10,807	45	-	10,852	9,539	1,313
Grants and contributions	-	-	-	-	-	-
Other	10,218	111	-	10,329	9,918	411
	21,025	156	-	21,181	19,457	1,724
Capital expenditures	255	2,349	-	2,604	2,163	441
Total spending under appropriations	21,280	2,505	-	23,785	21,620	2,165
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	16,981	(1,375)	32	15,638	14,301	1,337
Grants and contributions	100	-	-	100	123	(23)
Other	9,826	(525)	(32)	9,269	7,769	1,500
	26,907	(1,900)	-	25,007	22,193	2,814
Capital expenditures	-	1,900	-	1,900	1,431	469
Total spending under appropriations	26,907	-	-	26,907	23,624	3,283
FINANCE						
Operations and maintenance						
Compensation and benefits	38,812	249	(4,727)	34,334	35,095	(761)
Grants and contributions	11,105	-	1,000	12,105	12,038	67
Other	32,853	-	3,727	36,580	35,885	695
	82,770	249	-	83,019	83,018	1
Capital expenditures	8,270	2,040	-	10,310	6,480	3,830
Total spending under appropriations	91,040	2,289	-	93,329	89,498	3,831
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	20,970	1,831	(510)	22,291	22,865	(574)
Grants and contributions	47,153	2,303	1,302	50,758	49,167	1,591
Other	44,851	1,474	(792)	45,533	41,831	3,702
	112,974	5,608	-	118,582	113,863	4,719
Capital expenditures	-	2,600	-	2,600	-	2,600
Total spending under appropriations	112,974	8,208	-	121,182	113,863	7,319
JUSTICE						
Operations and maintenance						
Compensation and benefits	37,177	2,800	(443)	39,534	41,473	(1,939)
Grants and contributions	13,179	200	-	13,379	12,581	798
Other	50,083	1,055	443	51,581	50,440	1,141
	100,439	4,055	-	104,494	104,494	-
Capital expenditures	8,975	9,656	-	18,631	10,408	8,223
Total spending under appropriations	109,414	13,711	-	123,125	114,902	8,223

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

Schedule B.1

APPROPRIATIONS	Original Budget	Supple- mentary Appropri- ations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	12,447	(130)	(1,311)	11,006	9,183	1,823
Grants and contributions	7,859	-	380	8,239	7,400	839
Other	5,480	-	931	6,411	5,931	480
	25,786	(130)	-	25,656	22,514	3,142
Capital expenditures	60	-	-	60	60	-
Total spending under appropriations	25,846	(130)	-	25,716	22,574	3,142
EDUCATION						
Operations and maintenance						
Compensation and benefits	141,544	642	(300)	141,886	146,222	(4,336)
Grants and contributions	24,351	-	(1,390)	22,961	21,801	1,160
Other	17,694	-	1,690	19,384	16,208	3,176
	183,589	642	-	184,231	184,231	-
Capital expenditures	16,910	15,666	-	32,576	23,057	9,519
Total spending under appropriations	200,499	16,308	-	216,807	207,288	9,519
HEALTH						
Operations and maintenance						
Compensation and benefits	109,633	(69)	-	109,564	111,109	(1,545)
Grants and contributions	3,103	-	(600)	2,503	2,013	490
Other	167,691	28,270	600	196,561	195,506	1,055
	280,427	28,201	-	308,628	308,628	-
Capital expenditures	24,620	35,063	-	59,683	22,341	37,342
Total spending under appropriations	305,047	63,264	-	368,311	330,969	37,342
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	15,069	8	(850)	14,227	14,578	(351)
Grants and contributions	2,028	-	-	2,028	1,816	212
Other	6,897	-	850	7,747	7,608	139
	23,994	8	-	24,002	24,002	-
Capital expenditures	3,980	3,059	-	7,039	2,407	4,632
Total spending under appropriations	27,974	3,067	-	31,041	26,409	4,632
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	40,052	-	(1,575)	38,477	40,059	(1,582)
Grants and contributions	70,090	-	(963)	69,127	66,102	3,025
Other	98,255	144	2,538	100,937	101,844	(907)
	208,397	144	-	208,541	208,005	536
Capital expenditures	40,873	64,349	-	105,222	35,848	69,374
Total spending under appropriations	249,270	64,493	-	313,763	243,853	69,910

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

Schedule B.1

APPROPRIATIONS	Original Budget	Supple- mentary Appropri- ations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	17,451	-	(2,115)	15,336	15,667	(331)
Grants and contributions	22,097	38	-	22,135	21,015	1,120
Other	21,529		2,115	23,644	24,433	(789)
	61,077	38	-	61,115	61,115	-
Capital expenditures	20,075	48,228	-	68,303	50,603	17,700
Total spending under appropriations	81,152	48,266	-	129,418	111,718	17,700
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	165,819	-	-	165,819	165,819	-
Other	-	-	-	-	-	-
	165,819	-	-	165,819	165,819	-
Capital expenditures	28,841	-	-	28,841	28,841	-
Total spending under appropriations	194,660	-	-	194,660	194,660	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	31,875	255	-	32,130	32,130	-
Other	-	-	-	-	-	-
	31,875	255	-	32,130	32,130	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	31,875	255	-	32,130	32,130	-
TOTALS						
Operations and maintenance						
Compensation and benefits	460,943	4,001	(11,799)	453,145	460,091	(6,946)
Grants and contributions	398,759	2,796	(271)	401,284	392,005	9,279
Other	465,377	30,529	12,070	507,976	497,373	10,603
	1,325,079	37,326	-	1,362,405	1,349,469	12,936
Less: Principal repayments on capital leases included in spending appropriations above	6,650	-	-	6,650	6,650	-
Operations and maintenance expenses before amortization	1,318,429	37,326	-	1,355,755	1,342,819	12,936
Plus: Amortization expenses on tangible capital assets	44,466	-	-	44,466	51,256	(6,790)
Total operations and maintenance expenses	1,362,895	37,326	-	1,400,221	1,394,075	6,146
Capital expenditures	152,859	184,910	-	337,769	183,639	154,130
Less: Transfers to tangible capital assets	119,777	-	-	119,777	124,223	(4,446)
Total capital expenses	33,082	184,910	-	217,992	59,416	158,576
Total appropriation expenses	1,395,977	222,236	-	1,618,213	1,453,491	164,722

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.2

**Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)**

	Original Budget	Actual	(Over) Under Original Budget
By Department			
Legislative Assembly	-	1	(1)
Executive and Intergovernmental Affairs	3,464	601	2,863
Finance	800	4,060	(3,260)
Family Services	5,238	3,239	1,999
Justice	1,488	3,216	(1,728)
Culture and Heritage	2,550	2,550	-
Education	2,807	2,519	288
Health	51,893	56,453	(4,560)
Environment	-	5,199	(5,199)
Community and Government Services	19,767	35,876	(16,109)
Economic Development and Transportation	23,616	10,329	13,287
	111,623	124,043	(12,420)
By Category			
Operations and maintenance			
Compensation and benefits	-	18,420	(18,420)
Grants and contributions	-	11,360	(11,360)
Other	-	53,248	(53,248)
Operations and maintenance expenses before amortization	78,258	83,028	(4,770)
Plus: Amortization expenses on tangible capital assets	-	6,426	(6,426)
Total operations and maintenance expenses	78,258	89,454	(11,196)
Capital expenditures	33,365	55,657	(22,292)
Less: Transfers to tangible capital assets	-	21,068	(21,068)
Total capital expenses	33,365	34,589	(1,224)
Total third-party agreement expenses	111,623	124,043	(12,420)

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.3

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

			(Over) Under
	Original Budget	Actual	Original Budget
By Revolving Fund			
Liquor	3,807	2,434	1,373
Petroleum Products	24,462	24,394	68
Public Stores (1)	-	911	(911)
Student Loan (2)	-	225	(225)
	28,269	27,964	305
By Category			
Operations and maintenance			
Compensation and benefits	5,380	6,083	(703)
Grants and contributions	-	-	-
Other expenses	22,889	21,881	1,008
Operations and maintenance expenses before amortization	28,269	27,964	305
Plus: Amortization expenses on tangible capital assets (3)	-	-	-
Total operations and maintenance expenses	28,269	27,964	305
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	28,269	27,964	305

(1) The Public Stores budget of \$1,100 was included in the Department of Community and Government Services on Schedule B.1 as per page J-10 of the tabled Main Estimates.

(2) The Student Loan Fund budget of \$219 was included in the Department of Family Services on Schedule B.1 as per page G-11 of the tabled Main Estimates.

(3) Petroleum Products amortization of \$896 (2013 - \$1,532) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

GOVERNMENT OF NUNAVUT
Schedule C
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Tangible Capital Assets (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

	Buildings	Leased Buildings	Infra-structure	Tank Farms	Storage Facilities	Equipment	2014	2013
Cost of tangible capital assets								
Opening balance	855,225	114,873	149,342	154,334	30,998	89,265	1,394,037	1,347,297
Additions	4,078	-	4,925	-	-	6,621	15,624	4,471
Transferred from work in progress	48,228	-	23,400	6,911	4	1,578	80,121	43,560
Disposals	-	-	-	-	-	-	-	(1,291)
Closing balance	907,531	114,873	177,667	161,245	31,002	97,464	1,489,782	1,394,037
Accumulated amortization								
Opening balance	(243,932)	(48,741)	(51,852)	(55,355)	(14,772)	(55,656)	(470,308)	(417,240)
Amortization	(30,175)	(3,829)	(5,703)	(5,462)	(978)	(11,535)	(57,682)	(53,656)
Disposals	-	-	-	-	-	-	-	588
Closing balance	(274,107)	(52,570)	(57,555)	(60,817)	(15,750)	(67,191)	(527,990)	(470,308)
Work in progress								
Opening balance	58,560	-	13,202	4,416	4	4,016	80,198	69,024
Additions	94,213	-	21,961	13,411	-	82	129,667	54,734
Transferred to cost of tangible capital assets	(48,228)	-	(23,400)	(6,911)	(4)	(1,578)	(80,121)	(43,560)
Closing balance	104,545	-	11,763	10,916	-	2,520	129,744	80,198
Net book value	737,969	62,303	131,875	111,344	15,252	32,793	1,091,536	1,003,927
Estimated useful life	30 Years	30 Years	30 Years	30 Years	30 Years	5-30 Years		

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	12	12
Executive and Intergovernmental Affairs	-	29	29
Finance	55	580	635
Family Services	-	58	58
Justice	2	548	550
Culture and Heritage	151	1,134	1,285
Education	193	2,940	3,133
Health	853	276	1,129
Environment	208	129	337
Community and Government Services	96	497	593
Economic Development and Transportation	664	864	1,528
	2,222	7,067	9,289

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 2

Non-Consolidated Schedule of Special Warrants (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
--	---------------------------------	------------------------------

OPERATIONS AND MAINTENANCE

There were no Special Warrants during the year.

Total operations and maintenance

	Date of FMB Approval	Amount Authorized
--	---------------------------------	------------------------------

CAPITAL

There were no Special Warrants during the year.

Total capital

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 3

**Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)**

**Transfers
to (from)**

OPERATIONS AND MAINTENANCE

Finance

Centrally Administered Funds	750
Comptrollership	(480)
Internal Audit	(50)
Policy Planning Financial Management	(220)
Centrally Administered Funds	250
Policy Planning Financial Management	(250)
Centrally Administered Funds	1,614
Policy Planning Financial Management	(614)
Internal Audit	(110)
Comptrollership	(890)

Family Services

Corporate Management	(190)
Income Assistance	(220)
Career Development	(1,400)
Children and Family Services	1,810
Corporate Management	(100)
Children and Family Services	(1,362)
Career Development	(250)
Income Assistance	1,712

Justice

Registries and Court Services	300
Corrections	(300)

Education

K-12 School Operations	490
School Services	(490)
Career and Early Child Service	320
K-12 School Operations	(320)

Health

Treatment	394
Directorate	(394)

Environment

Program Management	480
Corporate Management	(480)

GOVERNMENT OF NUNAVUT**Schedule 3****PUBLIC ACCOUNTS****Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)**
for the year ended March 31, 2014**Transfers
to (from)****OPERATIONS AND MAINTENANCE (continued)****Community and Government Services**

Government Services	355
Community Support	365
Capital Planning and Technical Services	(920)
Directorate	200
Capital Planning and Technical Services	(300)
Government Services	300
Directorate	(350)
Community Support	900
Safety and Protection Services	(100)
Capital Planning and Technical Services	(450)
Community Support	(963)
Capital Planning and Technical Services	963

Economic Development and Transportation

Corporate Management	(955)
Transportation	955

CAPITAL**Justice**

Corrections	(290)
Directorate	290
Corrections	(373)
Directorate	373

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 4

Non-Consolidated Schedule of Student Loan Remissions (unaudited)
for the year ended March 31, 2014

Under the *Student Financial Assistance Regulations*, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans. Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over \$500 must be disclosed in the Public Accounts.

Lauren Solski	1,003
Lauren Teiman	1,537
Melanie Stubbing	2,967
Andrew Forsey	3,200
Cassandra Young	4,400
	<hr/>
	13,107

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 5

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)
for the year ended March 31, 2014
(in thousands of dollars)

	2015	2016	2017	2018	2019	>2019	Total
Headquarters	5,994	5,550	4,982	4,349	1,959	3,365	26,199
Qikiqtaaluk	995	890	676	596	423	295	3,875
Kivalliq	3,340	2,877	1,967	1,190	497	860	10,731
Kitikmeot	1,516	1,479	1,293	1,257	1,226	6,668	13,439
	11,845	10,796	8,918	7,392	4,105	11,188	54,244